

JOINT SELECT COMMITTEE ON HEALTH CARE REFORM OPPORTUNITIES AND IMPLEMENTATION

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THE BASIC HEALTH PLAN OPTION FOR STATES

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1. Introduction
2. Overview of the Basic Health Option
 - Legislative Background
 - Section 1331 of the Affordable Care Act
 - Details that are left for federal guidance and regulations
 - Details that are left to states to decide
3. How Basic Health fits with Medicaid, CHIP, premium credits, and employer coverage
 - In general
 - In Maine
4. Potential advantages of Basic Health for Maine and how advantages could be realized:
 - Could strengthen state's ability to negotiate with managed care plans and other insurers
 - Could increase ability to innovate and better coordinate care
 - Could simplify transition to Medicaid expansion and premium credits in 2014
 - Could provide more affordable and comprehensive coverage for beneficiaries
 - Could lower administrative costs for MaineCare and the new exchange
 - Could decrease the potential for gaps in coverage and disruptions of care for beneficiaries
5. Potential disadvantages of Basic Health for Maine if not structured appropriately:
 - Would decrease participation in health plans offered in the exchange which could make it harder to attract insurers and to pool risk
 - If not carefully planned, another layer of coverage could actually increase gaps and disruptions in coverage
6. Possible next steps for Maine
 - Estimate potential per capita payments that would be made available to the state under Basic Health
 - Discuss how Basic Health would fit within the current managed care initiative
 - Discuss state's interest in Basic Health with federal officials who are developing guidance and regulations